

ARKANSAS TRANSITIONAL EMPLOYMENT BOARD

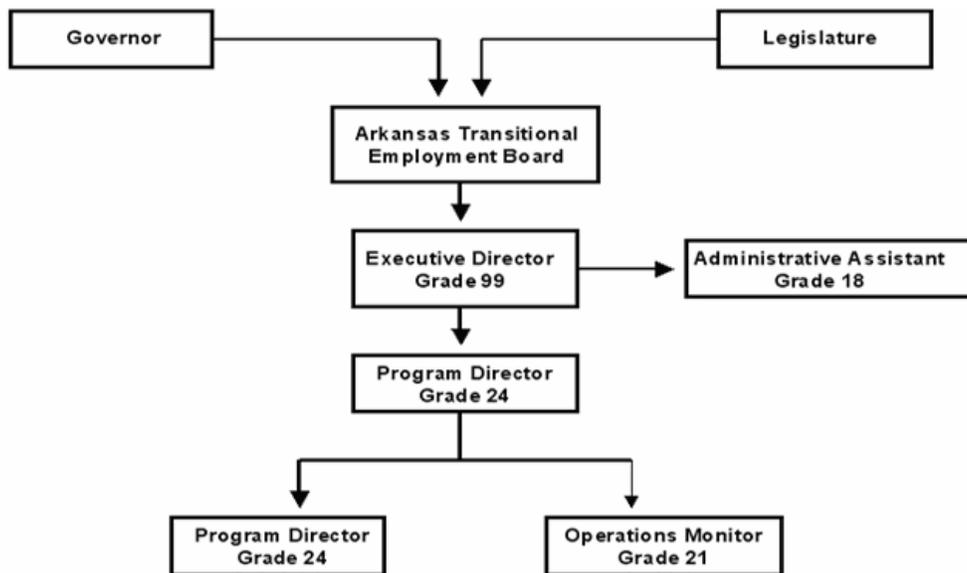
Enabling Laws

Act 1283 of 2005
Act 1705 of 2005
A.C.A. §19-05-1210
A.C.A. §20-76-101 et seq.
A.C.A. §5-36-205

History and Organization

The Arkansas Transitional Employment Board (ATEB) was created by Act 1567 of 1999 to be an agent of change and challenge to the existing federal, state and local agency service delivery mechanisms. The challenge is to seek to ensure that persons receiving Transitional Employment Assistance (TEA) are getting the assistance, information, and services needed to help them become self-sufficient. The Board is responsible for fulfilling the requirements set forth in law as they relate to the oversight of state agencies engaged in the process of administering the TEA program, procuring the independent evaluation of the TEA program, and various other duties outlined in law.

Act 1567 of 1999 was a revision to the Arkansas Personal Responsibility and Public Assistance Act, which was initially enacted in 1997. The law was again revised by Act 1264 of 2001 and Act 1306 of 2003. Act 1705 of 2005 moved the federal Temporary Assistance to Needy Families (TANF) block grant from the Department of Health and Human Services to the Department of Workforce Services. The ATEB is funded on a reimbursement basis from the Department of Workforce Services TANF Block Grant.



Agency Commentary

The Arkansas Transitional Employment Board (ATEB) has oversight responsibility over welfare reform in the State of Arkansas. For the 2007 - 2009 biennium, the ATEB is requesting the following:

Fund Center: 768 - Operations

The ATEB is requesting an increase in appropriation for 09-Conference Fees and Travel in the amount of \$18,000 for FY08 and \$18,000 for FY09. This request is necessary to appropriately expense conference and travel expenses that have been incorrectly coded as 02-Operating Expenses in the past.

In order to accommodate this increase in 09-Conference Fees and Travel, the ATEB also requests a reduction in appropriation for 02-Operating Expenses in the amount of \$18,000 for FY08 and \$18,000 for FY09.

Fund Center: 939 - TEA Independent Evaluator

In addition to the administrative cost, Act 1567 of 1999 mandates that the ATEB enter into a contract with an independent evaluator to examine the state's Transitional Employment Assistance (TEA) program. This appropriation is necessary to fulfill the requirements of this act. The base level for the independent evaluator stands at \$750,000.

The ATEB is requesting the base level appropriation for each year of the biennium for costs associated with the independent evaluator contract.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS TRANSITIONAL EMPLOYMENT BOARD
FOR THE YEAR ENDED JUNE 30, 2005

<u>Findings</u>	<u>Recommendations</u>
<p>Lack of management oversight and review of credit card transactions allowed Ms. Dametrice Burke, former Outreach Monitor, to charge personal purchases totaling \$27,052 to the Agency's credit card during the period March 2003 through April 2006. We recommend Ms. Burke, who accepted responsibility for the improper credit card charges, reimburse the Agency.</p> <p>In addition, travel reimbursements of \$3,059 paid to Ms. Burke were not supported with adequate documentation. As a result, the Agency was unable to substantiate the business purpose of these expenditures.</p>	<p>Agency strengthen internal controls related to credit card transactions and travel expenditures.</p>

Employment Summary

	Male	Female	Total	%
White Employees	1	0	1	25 %
Black Employees	1	2	3	75 %
Other Racial Minorities	0	0	0	0 %
			Total Minorities	3 75%
			Total Employees	4 100 %

Publications

A.C.A 25-1-204

Name	Statutory Authorization	Required for		# Of Copies	Reason (s) for Continued Publication and Distribution
		Governor	General Assembly		
Biennial Report	20-76-105(d)(14) 20-76-107(a)	Y	Y	3	Required by Law
Quarterly Progress Reports	20-76-106(c)	Y	Y	3	Required by Law
Statewide Implementation Plan	20-76-105(d)(5) 20-76-106(a)(1) 20-76-106(c)	Y	Y	3	Required by Law

Department Appropriation

Historical Data

Agency Request and Executive Recommendation

Appropriation	2005-2006		2006-2007		2006-2007		2007-2008				2008-2009			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
768 Operations	417,388	5	451,379	5	464,879	5	464,498	5	464,498	5	464,498	5	464,498	5
939 TEA-Independent Evaluator	490,208	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0
Total	907,596	5	1,201,379	5	1,214,879	5	1,214,498	5	1,214,498	5	1,214,498	5	1,214,498	5

Funding Sources		%		%		%		%		%		%
Federal Revenue 4000020	907,596	100.0	1,201,379	100.0			1,214,498	100.0	1,214,498	100.0	1,214,498	100.0
Total Funds	907,596	100.0	1,201,379	100.0			1,214,498	100.0	1,214,498	100.0	1,214,498	100.0
Excess Appropriation/(Funding)	0		0				0		0		0	
Grand Total	907,596		1,201,379				1,214,498		1,214,498		1,214,498	

Agency Position Usage Report

FY2004-2005						FY2005-2006						FY2006-2007					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
5	4	1	5	0	20.00%	5	4	1	5	0	20.00%	5	4	1	5	0	20.00%

Analysis of Budget Request

Appropriation: 768 - Operations

Funding Sources: MAT - Transitional Employment Board Operations

Arkansas Code Annotated §20-76-105 revised the Arkansas Personal Responsibility and Public Assistance Reform Act of 1997 by creating the Transitional Employment Board in an effort to better manage the welfare reform programs implemented statewide. The Board consists of 15 members. Though the duties of the Board are many, the main focus of the Board is to oversee the operation of the Arkansas Transitional Employment Assistance (TEA) activities and to coordinate these activities with state agencies involved in TEA. Funding is derived from the federal Temporary Assistance for Needy Families (TANF) program through the Arkansas Department of Workforce Services.

Additionally, the Board is authorized to initiate activities to foster collaboration; respond to and report on citizen concerns about implementation and administration of the program; review the Department of Health and Human Services (DHHS) plan for bonus awards and employee incentives; contract for an independent evaluation of the TEA program; provide guidance and oversight to the Governor's Partnership Council on Children and Families and prior to approval, ensure each local TEA plan includes how the regional workforce investment board will support the local TEA plan. The Board is required to submit biennial reports to the House and Senate Committees on Public Health, Welfare and Labor and to the Governor.

The Agency's Base Level request is \$464,498 each year of the biennium with five (5) regular positions. A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. The Base Level request of \$248,232 each year for Regular Salaries does include board member Stipend payments. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching reflects increases in the Base Level due to certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350/month.

The Agency's Change Level Request includes a reallocation of appropriation in the amount of \$18,000 each year from Operating Expenses to Conference Fees and Travel. In FY06, a Legislative Audit revealed that the Agency had been incorrectly coding certain conference and travel related expenses as Operating Expenses instead of Conference Fees and Travel Expenses. To correct this problem in FY06 and FY07, the Agency requested and received Legislative approval for a Budget Classification Transfer, which enabled them to correctly code the expenses to the proper commitment item, thereby avoiding future audit findings. This biennial change level request will eliminate the need for any future mid-year revisions to the Agency's budget.

The Executive Recommendation provides for the Agency Request.

Appropriation

Appropriation: 768 Operations
Funding Sources: MAT - Transitional Employment Board Operations

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	237,305	248,232	253,097	248,232	248,232	248,232	248,232	248,232	248,232
#Positions	5								
Personal Services Matching 5010003	55,019	58,147	66,782	71,266	71,266	71,266	71,266	71,266	71,266
Operating Expenses 5020002	111,017	130,500	130,500	130,500	112,500	112,500	130,500	112,500	112,500
Conference & Travel Expenses 5050009	7,038	4,500	4,500	4,500	22,500	22,500	4,500	22,500	22,500
Professional Fees 5060010	7,009	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	417,388	451,379	464,879	464,498	464,498	464,498	464,498	464,498	464,498
Funding Sources									
Federal Revenue 4000020	417,388	451,379		464,498	464,498	464,498	464,498	464,498	464,498
Total Funding	417,388	451,379		464,498	464,498	464,498	464,498	464,498	464,498
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	417,388	451,379		464,498	464,498	464,498	464,498	464,498	464,498

Actual exceeds Authorized Appropriation in Conference and Travel Expenses by authority of a Budget Classification Transfer.

Change Level by Appropriation

Appropriation: 768-Operations

Funding Sources: MAT - Transitional Employment Board Operations

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	464,498	5	464,498	100.0	464,498	5	464,498	100.0
C04	Reallocation	0	0	464,498	100.0	0	0	464,498	100.0

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	464,498	5	464,498	100.0	464,498	5	464,498	100.0
C04	Reallocation	0	0	464,498	100.0	0	0	464,498	100.0

Justification

C04 In FY06, a Legislative Audit revealed that the Agency had been incorrectly coding certain conference and travel related expenses as 02-Operating Expenses instead of 09-Conference Fees and Travel Expenses. The Agency requested and received Legislative approval for a Budget Classification Transfer in both FY06 and FY07 to enable them to correctly code the expenses and avoid further audit findings. The Agency is now requesting to reallocate appropriation in the amount of \$18,000 from 02-Operating Expenses to 09-Conference Fees and Travel in order to correct this problem in their appropriation act.

Analysis of Budget Request

Appropriation: 939 - TEA-Independent Evaluator

Funding Sources: FBE - Transitional Employment Board Federal Operations

Act 1567 of 1999 amended A.C.A. §20-76-107 by transferring the authority and responsibility of engaging a professional consultant to perform an on-going independent evaluation of the Transitional Employment Assistance (TEA) program from the Governor to the Transitional Employment Board. Biennial reports are required to be submitted to the Governor and the House and Senate committees on Public Health, Welfare, and Labor. Funding is derived from the Federal Temporary Assistance to Needy Families (TANF) program through the Arkansas Department of Workforce Services.

The Agency is requesting the Base Level budget of \$750,000 in each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation

Appropriation: 939 TEA-Independent Evaluator
Funding Sources: FBE - Transitional Employment Board Federal Operations

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	0	0	0	0	0	0	0	0	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	490,208	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	490,208	750,000							
Funding Sources									
Federal Revenue 4000020	490,208	750,000		750,000	750,000	750,000	750,000	750,000	750,000
Total Funding	490,208	750,000		750,000	750,000	750,000	750,000	750,000	750,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	490,208	750,000		750,000	750,000	750,000	750,000	750,000	750,000